

Ambassador Kantor and the President, I know, are embarked on a nervous time, and I know it is very controversial. But I would say, whether it is a Republican or a Democratic administration, this country needs to stand up for its economic interests. It needs to stand up for jobs and opportunity here. I think President Clinton, in calling the Japanese on these trade policies, is beginning to do that on behalf of this country.

I do not want a trade war. A trade war will not benefit anyone. It will hurt the world. But by the same token, we cannot have a post-Second World War trade strategy which is essentially only a foreign policy by which we pay and everyone else wins. That is a strategy that continues to weaken our country. We ought to say our borders are open but yours must be, too. We believe in reciprocal trade policies. We believe in open trade and free trade, yes, but we, most importantly, insist on fair trade. It is long past the time when our country needs to stand for that. I am pleased that President Clinton is taking some action to confront the Japanese and now next it will be a number of other countries that treat us in exactly the same way.

Mr. President, with that, I yield the floor.

#### VETO OF THE RESCISSION BILL

Mr. GRAMM. Mr. President, President Clinton announced today that he is going to veto the rescission package. President Clinton is going to veto our effort to reduce Government spending by \$16 billion. President Clinton, who continues to talk about deficits, is going to veto a bill that cuts more spending than any rescission bill in the history of this country.

Why is he going to do that? He is going to do it because he is committed politically to the special interest groups who stand to lose from our putting the Federal Government on a budget like everybody else. I think Bill Clinton should start representing the public interest and not the special interests that support the Democratic Party.

I think it is outrageous, when we are running a \$175 billion deficit, when the deficit is heading toward \$350 billion, and the President, to defend things the way they are in Washington, DC, is going to veto a bill that cuts 16 billion dollars' worth of Government spending.

The President should sign the rescission bill. He should join our effort to put the Federal Government on a budget like everybody else. Ultimately, we have to make a decision. Are we going to change the Government in order to bring back the American dream, put the Federal Government on a budget, let families keep more of what they earn, or are we going to continue to support business as usual in Washington, DC?

When Bill Clinton vetoes a \$16 billion cut in Government spending to protect

a few pet programs, he is putting the political interests of his administration and his party in front of the interests of the people of America. I do not think the American people are going to like it; I think they are going to react negatively to it; and I think they should.

President Clinton can stop us on the rescission bill. He can get Democrats to vote and sustain his veto. I think it is important that we pass the bill, that we challenge him, and that we try to override this outrageous veto. But for next year, beginning in October, we are going to be writing the appropriations bills, and so the President is not going to have the ability to veto bills unless he wants to shut down Federal departments.

I think we are fast coming to the moment of truth. Are we serious about dealing with Government spending? Are we serious about putting the Government on a budget like everybody else? Or are we committed to the same old special interest groups that have dominated American Government for 40 years?

By vetoing an effort to reduce Government spending to protect special interest programs, President Clinton is saying he is willing to protect business as usual in Washington. I think this is something that we have to fight because I think we are down to the basic principle on which the American people cast their votes in 1994, and I think they expect us to stand up, speak out, and fight for putting the Federal Government on a budget like everybody else.

I yield the floor.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

#### SPECIAL INTERESTS

Mr. PRYOR. Mr. President, I wonder if my friend from Texas would answer a question if I were to propose a question?

Mr. GRAMM. I might. I would like to hear it first.

Mr. PRYOR. Yes.

I read in the Washington Post this morning about the \$5 million Republican fundraiser that was held last evening. I want to congratulate the Senator from Texas for putting this enormous fundraiser together. It may have been the largest of its kind in history.

I wonder if the Senator from Texas would be so kind as to answer this question of the Senator from Arkansas: Were there any special interests represented at this fundraiser?

Mr. GRAMM. Let me first respond by saying, I appreciate your generosity in suggesting that I might have put on such a grand fundraiser. In fact, I am no longer chairman of the Republican Senatorial Committee. I did attend. We had a lot of people there from all over America.

Mr. PRYOR. Were there any special interests there at the fundraiser?

Mr. GRAMM. Clearly, many of them were there. They came to the event. Each individual group represents a special interest.

But let me tell you the difference. What we told them we were going to do there is put the Federal Government on a budget. We were not promising to give anything away last night. We were promising to stand up for the vital interests of this Nation and, remarkably—maybe it is not true in your party, but in my party when you stand up and fight for America, there are people that are for you.

I am proud of the fact, as my colleague, I am sure, knows, that in the last election cycle, when I was chairman, the average contribution to the Democratic Senatorial Committee was 10 times as large as the average contribution to the Republican Senatorial Committee because we have grassroots support.

And, given the President's veto, given the President's veto of our effort to control spending, I can see why we have grassroots support and the Democratic Party does not.

Mr. PRYOR. Mr. President, I appreciate my friend from Texas and neighbor trying to answer that question.

I am going to ask him another question.

Were there grassroots supporters there at this \$5 million fundraiser last evening?

Mr. GRAMM. They were from all over America. In fact, I saw a lot of them from Arkansas.

Mr. PRYOR. That is right.

And how much was each ticket for the fundraiser, if I might ask?

Mr. GRAMM. It varied, depending on whether it was individual money or whether it was—

Mr. PRYOR. Whether it was grassroots or special interest, is that the case?

Mr. GRAMM. No. It varied on whether it came out of your checking account or out of the checking account of your company or your organization.

You hold similar events every year, but, because the American people no longer support your agenda, your attendance is falling off. Ours is rising. But I do not feel sorry for you.

Mr. PRYOR. Oh, no, do not feel sorry for us yet. You know, we still have a few kicks left in the dog here.

But I would just like to ask my friend from Texas, the special interests you referred to that support President Clinton, would you please be so kind as to enumerate those special interests?

Mr. GRAMM. I certainly would.

The Legal Services Corp., the Corporation for Public Broadcasting, the broad-based coalition of people who are riding in the wagon as opposed to the people who are pulling the wagon in America.

Our objective is to try to put the Government on a budget, so we can let working people keep more of what they earn, so that we can have decisions made not by Washington but by American families.

See, we have this idea that Democrats rejected about 40 years ago, and that is families can do a better job of spending their own money than you do for them.

Now that sounds alien in Washington, DC, but in Little Rock, AR, people are beginning to think maybe that is the way we ought to do things.

Mr. DORGAN. I wonder if the Senator from Arkansas would yield to me?

Mr. PRYOR. I do not have the floor, actually.

Mr. GRAMM. I have to go to a hearing on Legal Services, to let them know the bad news.

The PRESIDING OFFICER. The Chair would say, the hour of 10:30 having arrived, morning business was to close.

Mr. PRYOR. Mr. President, seeing no other Senators desiring recognition, I ask unanimous consent that the Senator from North Dakota be allowed to proceed for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I was curious about the question asked by my colleague from Arkansas.

Our colleague, Senator GRAMM from Texas, said that at this fundraiser they were not giving anybody anything. I assume he forgot, probably, that in the vote in the House of Representatives on the Contract With America, just to name one little piece of that, they eliminated the alternative minimum tax for corporations.

You remember those stories in the old days about a big corporation that earned \$3 billion in earned income, net profit, and paid zero in Federal income tax. Well, the Federal Government said they wanted to correct that, so they set up what was called an alternative minimum tax, so you could never zero it out, talking about the real big corporations now.

Well, in the House of Representatives, in the tax bill under the contract, they zero it out and they say, "No more alternative minimum tax. You big companies, you make \$5 billion, it is all right if you pay zero in taxes." But at same time they do that, they say, "But we can give those companies"—incidentally, about 2,000 companies—"the equivalent of \$2 million each in tax breaks. We can afford to do that, but we cannot afford to provide student aid, as we used to, so we will have to ask kids who are going to go to college who do not have any money to pay for it, we will make it harder for kids to go to college because we cannot afford investing in kids who go to college, as we used to, but we do have the money to provide the equivalent of a \$2 million tax break for each of 2,000 corporations by saying to those corporations, You no longer have to worry about a little thing called the alternative minimum tax. You can zero it out, if you like."

I am guessing the Senator from Texas just forgot about that.

And there are a dozen more like it, little old things that I am sure folks

would show up to show their appreciation for, but they are the kinds of things that represent priorities—the priorities that say we really believe in the big interests here, we really think the big interests need a lot more help because if we rain on big interests somehow it will all seep down to the little folks that are trying to send their kids to college. That is what I think has been forgotten in this equation and this discussion between the Senator from Texas and the Senator from Arkansas.

Mr. President, I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

Under a previous order, the Senate will now proceed to the consideration of a resolution to be submitted the Senator from New York [Mr. D'AMATO].

Mr. PRYOR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I have a resolution which I will shortly be sending to the desk. May I ask, what is the pending business?

The PRESIDING OFFICER. The pending business is the resolution to be considered by the Senator from New York.

Mr. D'AMATO. I believe we have agreed that there will be no more than 2 hours.

The PRESIDING OFFICER. That is correct, from the time you bring it up.

Mr. D'AMATO. Will the time start to run as of now?

The PRESIDING OFFICER. It is when the Senator submits the resolution to the desk.

#### ESTABLISHING A SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT CORP. AND OTHER MATTERS

Mr. D'AMATO. Mr. President, I send the resolution to the desk on behalf of myself and Senator DOLE—and I know others would like to join—and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 120) establishing a special committee administered by the Committee on Banking, Housing, and Urban Affairs to conduct an investigation involving Whitewater Development Corp., Madison Guaranty Savings & Loan Association, Capital Management Services, Inc., the Arkansas Development Finance authority, and other related matters.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. D'AMATO. Mr. President, Whitewater is a very serious matter. Some questions raised by Whitewater go to the very heart of our democratic system of government. We must determine whether the public trust has been abused. We must ascertain whether purely private interests have been placed above the public trust. The American people have a right to know the full facts about Whitewater and related matters.

After the Banking Committee's hearings last year, many important questions still remain. The American people have a right and a need to know the answers to these questions.

Congress has the responsibility to serve as the public's watchdog. We would be derelict in our duties if we did not pursue these Whitewater questions. The Senate must proceed in an evenhanded, impartial, and thorough manner. We have a constitutional responsibility to resolve these issues.

Mr. President, we now bring before the Senate a resolution that authorizes a special committee administered by the Banking Committee to continue the Whitewater inquiry that was started but not completed during the last Congress.

I thank my distinguished colleague, Senator SARBANES, for his hard work and cooperation in the preparation of this resolution. We have jointly prepared a resolution that is balanced and fair and that will allow the special committee to search for the truth. I am confident that Senator SARBANES and I will continue the Banking Committee's bipartisan approach to the Whitewater matter.

Mr. President, our pursuit of these questions must be and will be fair, straightforward, and responsible. The American people expect and deserve a thorough inquiry committed to the pursuit of truth. That is the American way.

Last summer, the Banking Committee met these vigorous requirements. Our examination of the Whitewater matter was impartial, balanced, and thorough. That is our goal in this Congress. I am confident that we will meet these goals.

During last summer's hearings, many facts were uncovered. We learned that certain top administration officials were not fully candid and forthcoming with the Congress. That is an undisputed fact. The public has a right to expect more from those in positions of trust. We also learned that senior Treasury Department and Clinton White House officials mishandled confidential law enforcement information concerning Madison Guaranty. That is another undisputed fact. Madison is now defunct; it is a defunct S&L at the heart of the Whitewater matter. The failure of this Arkansas S&L eventually cost American taxpayers more than \$47 million.

Mr. President, the American people have a right to know the answers to